



February 3, 1997

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Washington, DC 20036

Regina M. Keeney, Esq.
Chief, Common Carrier Bureau
Federal Communications Commission
Washington, D.C. 20554

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Re: Progress Report in CC Docket No. 96-61

Dear Ms. Keeney:

Pursuant to para. 68 of the Commission's Report and Order in CC Docket No. 96-61, FCC 96-331, released August 7, 1996, Sprint Communications Company, L.P. ("Sprint") submits its preliminary plans for implementing Section 254(g) of the Communications Act. As the Commission requested, this report applies to the integration of interexchange services Sprint offers to subscribers in Guam and the Commonwealth of the Northern Mariana Islands¹ with services offered in other states.

Sprint presently plans to implement rate integration on the following terms:

1. Sprint plans to integrate Guam and the Northern Marianas Islands into its existing Dial-1 interstate interexchange time, time of day, and distance sensitive rate structure by adding one or two additional mileage bands to that rate structure. The distance covered by the farthest band would be approximately 9,500 miles. Sprint intends, subject to the conditions below, to reduce existing rates between Guam/Northern Marianas and the rest of the United States significantly. The Dial 1 rates that Sprint plans to implement would not preclude the use by Sprint of additional promotional rates between Guam and other U.S. points at even lower rates.

2. Subject to Sprint's ability to obtain adequate facilities at reasonable prices on the planned Guam-Northern

¹ With the exception of calling card products, Sprint does not currently offer direct dial outgoing service billed to the originating customer in the Northern Marianas. As such, this preliminary report is devoted primarily to service between Guam and the Mainland U.S.

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Marianas submarine cable, calls between Guam and the Northern Marianas would be priced under the applicable mileage band of the aforementioned Dial-1 rate structure.

3. Sprint plans to implement the above-described rate integration coincident with the adoption of Feature Group D (FGD) equal access by the Guam Telephone Authority (GTA) and the inclusion of Guam within the North American Numbering Plan (NANP). Sprint understands that FGD and NANP inclusion are presently scheduled for completion in July, 1997.

The above is subject to the following conditions:

1. Due to the difficulty of modifying multiple existing billing systems within a short time, there could be minor temporary exceptions (e.g. Guam-Puerto Rico) to total rate integration.

2. The extent of any rate decreases for Sprint's interexchange services will depend in significant measure on the level of access charges imposed on Sprint by the relevant local exchange carriers. If GTA's interstate access charges remain materially higher than comparable access charges by local exchange carriers located on the U.S. Mainland, for example, Sprint may be unable to reduce interexchange rates as much as would be possible if GTA maintained such comparable access rates.

Sprint notes that GTA has petitioned the Commission to declare that GTA may participate as a member of the National Exchange Carrier Association, Inc. (NECA), including the latter's access tariff arrangements. GTA membership in NECA would enable GTA to reduce its access charges significantly. Sprint filed in support of GTA's petition, which is currently pending before the Commission.

3. The conversion to FGD and inclusion of Guam within the NANP are not within Sprint's control, and any delays by others responsible for these conversions will affect Sprint's ability to implement rate integration on a timely basis. In addition, Sprint still does not know to what extent the Micronesian Telephone Company (MTC), the local exchange carrier in the Northern Marianas, is prepared to implement the modifications necessary to include the Northern Marianas in the NANP on July 1, 1997. Sprint has not yet analyzed what effect such failure might have on Sprint's ability to implement rate integration.

4. At present, Sprint only intends to integrate rates for its Dial-1 and Dial Up time, time of day, and distance

sensitive measured service offerings. Integration of other services raises difficult issues that are currently pending before the Commission in petitions for reconsideration of the Commission's August 7 decision in CC Docket No. 96-61.

5. Sprint had anticipated that the long-planned fiber optic cable between Guam and the Northern Marianas would be in service prior to the scheduled date for implementation of rate integration. This cable should lower facility costs for service between Guam and the Northern Marianas substantially, making possible lower rates for service between those two points. As the Commission may be aware, however, there have been significant delays in laying this cable. Sprint has no control over the deployment of the cable, and continued delays or unreasonably high charges for use of this cable will affect Sprint's ability to integrate rates for service between Guam and the Northern Marianas into Sprint's existing Dial-1 rate structure.

Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely,



Kent Y. Nakamura
General Attorney

cc: Sherille Ismail, Esq.
Neil Fried, Esq.
Secretary's Office
Members of the Guam/CNMI
Rate Integration Working Group